GOVERNMENT OF INDIA
OCEAN DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:1269
ANSWERED ON:08.12.2004
CESS ON SEA WATER
Goel Shri Surendra Prakash

Will the Minister of OCEAN DEVELOPMENT be pleased to state:

(a) whether the Government has issued a Notification for collection of water cess on sea water;

(b) if so, the reasons for collecting cess on sea water and the amount of revenue likely to be collected by the government;

(c) whether imposing of cess on sea water will hamper the industrial growth in the country; and

(d) if so, the steps being taken ioto withdraw cess on sea water?

Answer

THE MINISTER OF STATE(INDEPENDENT CHARGE) OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF OCEAN DEVELOPMENT (SHRI KAPIL SIBAL)

(a)&(b): The Water (Prevention & Control of Pollution) cess Act, 1977 provides for the levy of a cess on industries and local bodies using water. There is no separate notification regarding levy of cess on use of seawater. The cess is intended to minimize consumption and pollution of water by the industries and local authorities. The cess amount is utilized for augmenting the resources of the Central and State Pollution Control Boards. On the basis of water used from any of the sources every person has to pay the cess. The water cess is collected by the Governments of State and Union Territories from all the industries, except Hydel Power units, and is remitted to the Consolidated Fund of India every month in lump sum. No separate account is maintained for the cess collected from the industries using seawater. The collection of water cess, from industries and local authorities, during the financial year 2003-04 was Rs. 88.50 crores.

(c)&(d): No sir. The water cess is a small charge that the industries using water including seawater have to bear for the protection of the environment and conservation of natural resources.